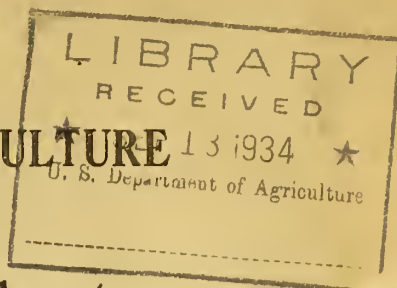


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UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY



Information and Instructions for County Agents Relative to Seed Grain Loans

Wichita, Kansas, August 15, 1918.

As announced in press notices of July 29, and August 1, 1918, herewith, \$5,000,000 has been set aside by the President for seed grain loans in the drought stricken regions of the Northwest (including Montana and North Dakota), and in the Southwest (including the western portions of Kansas, Oklahoma and Texas). These loans will be made only to farmers who are without cash or credit with which to buy seed wheat or rye for fall sowing, by reason of two or more successive crop failures due to drought or winter killing.

The fund is not for the purpose of securing increased acreage of fall sown wheat or rye, or even to maintain a normal acreage, but rather to tide farmers over a period of stress, enable them to remain on their farms, and to sow such acreage as may be determined by the Department of Agriculture to be wise under all conditions. IT IS DISTINCTLY NOT TO BE USED TO STIMULATE THE PLANTING OF WHEAT OR RYE "WHERE SUCH PLANTING IS NOT WISE FROM AN AGRICULTURAL POINT OF VIEW AND WHERE OTHER ACTIVITIES ARE SAFER."

Loans will be limited to \$3.00 per acre for not to exceed 100 acres, the borrower to sign an application with a sworn statement as to his land, livestock and implements, their value, amount of encumbrance, and to whom mortgaged; to give a promissory note for the amount of the loan, payable October 1, 1919, with interest at 6 per cent, secured by a chattel mortgage on the crop on the land specified in the application; and to agree to contribute to a guaranty fund at the rate of 15 cents per acre mortgaged for each bushel per acre by which the average yield exceeds 6 bushels per acre, provided the total contribution shall not exceed 75 cents per acre; and to use such seed and methods as may be approved by the local representatives of the U. S. Department of Agriculture.

Loans will be made by the Federal Land Bank upon approval of the U. S. Department of Agriculture. The blank applications for loans have been printed by the Federal Land Bank and sent to the local banks in each county affected.

I have been designated by the Secretary of Agriculture to represent the Department in the Southwest, with headquarters at Wichita, Kansas, and the following specialists have been detailed to assist me: H. N. Vinall, Agronomist, Bureau of Plant Industry, Washington, D. C.; John F. Ross, Superintendent of the Cereal Field Station, Amarillo, Texas; O. J. Grace, Superintendent of Field Station, Akron, Colorado; F. A. Kiene, Agronomist, Hays, Kansas; and J. B. Kuska, Assistant in Dry Land Agriculture, Colby, Kansas.

With the full and close cooperation of the agronomists and other officials of the State Agricultural Colleges and Experiment Stations it is planned to organize and conduct the field work in connection with seed grain loans as follows:

ORGANIZATION

(1) My assistants, in cooperation with the agronomists of the Agricultural College and Experiment Station in each State, will determine where the sowing of wheat or rye is, or is not, "wise from an agricultural point of view, and where other activities are safer." They will also assist in organizing the work in counties which have no county agent.

(2) Each county agent will organize a local Loan Inspection Committee in one or more counties to verify the sworn statements of farmers applying for loans. In case a farm bureau or farm loan association or county council of defense has already been organized their members can be utilized on the loan committees. A sufficient number of members should be appointed on the loan committee so as to be well distributed over the county and facilitate prompt inspection of farms. Members of loan committees should be men of good judgment and reputation in their communities in whom both the county agent and the farmers will have confidence. It is highly desirable that a local banker be a member of the loan inspection committee, and members should be located at the county seat and principal trade centers. It is suggested also that county clerks or registers of deeds might be appointed members of these committees specifically to verify statements with respect to mortgages.

It is realized that the inspection of farms and the verification of loan applications will involve considerable time and labor. No funds are available to compensate committee members or to reimburse them for incidental expenses. However, this is regarded as strictly war work, it should result in an increased food supply in time of war, and will afford some relief to distressed farmers in many communities, so that the Government feels justified in calling for voluntary service and sacrifice in this patriotic and public work.

PROCEDURE

(1) As soon as application blanks are available at the local banks, the county agent should see that an announcement is put in the local paper advising farmers where blanks can be obtained, and urging all who intend to apply for loans to do so promptly.

(2) Farmers, including tenants, who can give an unconditional mortgage on the entire crop, desiring loans should call at the nearest bank, fill out an application blank and swear to it before a notary or other officer authorized to administer oaths and having a seal. Notaries are expected to perform this service in connection with seed grain loans without charge as a patriotic duty.

(3) The bank will notify the county agent to call for the signed applications; but it would be well for the county agent to call for the applications daily to avoid any delay.

(4) The county agent should promptly turn the application over to members of the Loan Inspection Committee most conveniently situated to inspect the farm and verify the farmer's statements, urging upon the committee the importance of prompt action.

(5) The Loan Inspection Committee member to whom an application is assigned should proceed without delay to inspect the farm, livestock and implements, estimate their value and verify statements as to mortgages. He should view the tract of land to be sown to wheat or rye, especially note its condition as to soil moisture, cultivation, and suitability for seeding. The description of the farm should include Range, Township, and Section numbers, and a rough pencil sketch should be made in the blank space on the application showing the location of the field to be planted with reference to section lines. If applicant is not already known to the committee member, inquiry should be made as to his reputation as a farmer and as a man in the community.

The committee member should place a check mark opposite each item on the application which is found to be correct, and attach to the application a brief memorandum relative to statements which are not correct, or of any facts which he thinks the county agent or other representative of the Department should know.

(6) The county agent should either consult the local banker regarding each application, or get from the banker a memorandum in writing of any information he may have relative to the applicant's past history or reputation with respect to paying his debts.

(7) The county agent should then fill out and sign the certificate on the application, to the effect that the applicant "has" or "has NOT" the stated acreage; that his reputation as a farmer is "excellent," "good," "fair," or "poor"; that he "has," or "has NOT" the necessary equipment; and that his general reputation is "excellent," "good," "fair," or "poor."

Do not fail to fill in the recommendation that the application "be granted," or "be NOT granted."

Where the recommendation is negative, i. e., that the "application be NOT granted," a notation should be added indicating the reason; as, "statements not verified"; "can procure credit"; "has not had two successive crop failures"; "soil not suitable"; "insufficient equipment"; "other crops recommended"; "reputation unsatisfactory", etc., as the facts may warrant.

When the application is properly signed and sworn to, with impression of notary's seal, all blank spaces properly filled out, all statements verified, and certificate and recommendations of county agent completed, the application and any related memoranda attached should be mailed to "Mr. Leon M. Estabrook, Assistant to Secretary of Agriculture, Federal Farm Loan Bank, Wichita, Kansas."

(8) Upon receipt in the Wichita office the applications will be recorded, examined, approved or disapproved without delay. The approved applications will be immediately turned over to the Federal Farm Loan Bank. In case of disapproval the applicant will be notified. Applications concerning which there is doubt will be placed in a suspended file for further investigation or consideration.

(9) As soon as applications are received and allowed by the Federal Land Bank, a notice of the allowance will be sent to the local bank.

(10) Country banks are urged, as a matter of public service, to render assistance in financing farmers whose applications have been approved by the Department of Agriculture and allowed by the Federal Land Bank, so that seed wheat can be procured and sown without delay, and for this purpose to avail themselves of the facilities of the Federal Reserve Banks and the War Finance Corporation, which are prepared to render support to such efforts.

It is suggested that the certificate which the Federal Land Bank will send to local banks that a particular application has been approved and the loan will be made upon certification that the seed has been planted, should form an excellent basis for extending temporary credit to enable the farmer to buy seed, inasmuch as the only further step in perfecting the loan is the planting of the seed and execution of a promissory note and chattel mortgage.

It is further suggested, as a patriotic duty, that owners should finance tenants, and men of means should finance one or more farmers to enable them to purchase seed grain.

(11) As soon as the farmer applicant has the seed sown on the specified acreage, he should notify the county agent, or the local bank.

(12) The county agent should in turn notify the proper member of the Loan Inspection Committee to again inspect the field and report to him whether the specified acreage has been planted in accordance with the agreement.

(13) The county agent should then fill out the certificate of planting and file it with the local bank.

(14) The county agent will notify the farmer to call at this local bank and sign the required promissory note and execute a chattel mortgage on the crop as security for the loan. The local bank will then forward the papers to the Federal Land Bank.

(15) On receipt of the certificate of planting, note and mortgage, in proper form, they will be submitted to the Federal Land Bank and if approved a check or draft for the amount of the loan, payable to the applicant or to his order, will be issued for the loan, less any amount that may be due the Federal Land Bank.

(16) After harvest in 1919, and before October 1, when the note becomes due and payable, the average yield per acre on the field specified in the application will be verified by the county agent either through the Loan Inspection Committee, or from the record of grain threshed which the thresherman is required to keep under the terms of his license.

The certificate of the county agent of the yield of grain from the acreage specified in the loan application should be made in duplicate and one copy will be filed by him with the local bank and one copy mailed to the Federal Land Bank and form the basis of settlement of the loan.

It should be borne in mind that the special fund to be loaned is public money, that the loans are in no sense a gratuity or a charity, but are made to farmers who have suffered two successive crop failures from adverse weather conditions beyond their control, who can obtain loans in no other way, and are to be made only where there is a reasonable prospect of at least a fair crop and the hazard is not too great.

The verification and approval of applications and the making of seed grain loans from the special fund made available for that purpose by the President will necessarily involve considerable time. The season for fall preparation of soil and for seeding is rapidly approaching and will be of short duration. It is therefore highly essential that the procedure outlined herein should be followed with the least possible delay, and applicants, county agents, Loan Inspection Committees, and local banks are urged to act promptly. The hearty cooperation of all concerned in this patriotic, wartime work is requested and expected.

Very truly yours,

LEON M. ESTABROOK,

Assistant to the Secretary and Chief, Bureau of Crop Estimates.

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THE FEDERAL LAND BANK

OF WICHITA

Information and Instructions to Agents Appointed By The Federal Land Bank of Wichita, Wichita, Kansas, to Take Applications for Seed Grain Loans

The President of the United States has set aside the sum of \$5,000,000 to be used in extending aid to farmers in certain drought stricken districts, the purpose being to assist those otherwise unable to do their fall planting.

The Federal Land Bank of Wichita, Wichita, Kansas, has been designated as the financial agent of the Government to make and collect the loans. They will expect the co-operation of local banks in the taking of applications, forms being mailed you under separate cover or upon receipt of request.

The determination of the question of making each loan will, in the first instance, rest with the Department of Agriculture, which, through its various agencies, assisted by Farm Loan Associations, Banks and other local Farmers' Organizations, will investigate each application.

For the good of their several communities, Banks and other local agencies will be expected to contribute their services in taking these applications and in assisting the Federal Land Bank of Wichita in making the collections. No expense of any kind must be incurred on behalf of the Federal Land Bank of Wichita.

Banks wishing to assist their communities in this matter should communicate at once with the Federal Land Bank of Wichita.

You are urged to get the applications to the eligible borrowers at the earliest possible moment.

The money will be advanced as a loan in cases of necessity upon the crop of wheat or substitute grains planted. No loan will be made in excess of \$3.00 per acre, and no applicant will be financed beyond one hundred acres. Therefore, no loan will be made in excess of \$300. Notes given will bear 6% interest payable October 1, 1919.

Applicants must agree to use seed and methods approved by the Department of Agriculture, and the money will not be advanced until the crop is planted and a representative of that department certifies to the Federal Land Bank of Wichita that the applicant has completed his planting, in proper manner and with proper seed. Upon the receipt by the Federal Land Bank of Wichita of such certificate, applicant will be required to give note and chattel mortgage on the crop planted.

In order to give applicants a basis for temporary credit, to assist in obtaining the seed, the Department of Agriculture will promptly investigate all applications, and as soon as approved the Federal Land Bank of Wichita will issue a statement of approval to the effect that the money will be advanced when the crop is planted and the necessary certificate and note and mortgage are executed and delivered. The machinery of the Treasury Department and the Department of Agriculture for this work is already in existence and will be put in motion at once, and no substantial delays will result if the interested communities do their part promptly.

The plan is to assist only those who have exhausted their resources. No loan will be made to any farmer who has unincumbered real or personal property sufficient to secure a loan of \$300.

IN SUCH CASES COUNTRY BANKS ARE URGED, AS A MATTER OF PUBLIC SERVICE TO RENDER ASSISTANCE AND AVAIL THEMSELVES OF THE FACILITIES OF THE FEDERAL RESERVE BANKS AND THE WAR FINANCE CORPORATION WHICH ARE PREPARED TO RENDER SUPPORT TO SUCH EFFORTS.

Each borrower will be required, as a part of his contract, to execute a Guaranty Fund Agreement, in form and in the terms prescribed in a circular issued jointly by the Secretary of the Treasury and Secretary of Agriculture, such agreement shall provide among other things, that if the crop mortgaged, amounts to an average yield of seven bushels per acre or more, the undersigned will contribute to a Guaranty Fund, fifteen cents per acre mortgaged for each bushel per acre by which the average yield exceeds six bushels per acre, provided that the total of such contribution shall not exceed 75 cents per acre.

The following will be the procedure in handling applications for Seed Grain Loan.

1. Those acting as agents will take the applications from the farmers, being careful to see that each application is completely filled out and duly acknowledged as required by said application.

2. THE AGENT IS TO HOLD THESE APPLICATIONS UNTIL CALLED ON FOR THEM BY REPRESENTATIVES OF THE DEPARTMENT OF AGRICULTURE.

3. These representatives will take the application and investigate its statements and pass upon the preliminary questions involved.

4. If the result of these investigations are satisfactory the representatives of the Department of Agriculture will send the applications with their certificate to Mr. L. M. Estabrook, Federal Land Bank of Wichita, Wichita, Kansas.

5. The application will then be reviewed by Mr. Estabrook, and if approved by him, will add his certificate, passing application to The Federal Land Bank of Wichita for final approval.

6. After application is approved by The Federal Land Bank of Wichita, a certificate of approval will be issued and WILL BE MAILED TO THE AGENT THROUGH WHOM THE APPLICATION WAS RECEIVED.

7. Before the money is paid over by the Federal Land Bank of Wichita, the farmer must furnish, on forms furnished by this Bank, properly executed, as agreed to in the application, a Certificate of Planting, the Guaranty Fund Agreement, promissory note and chattel mortgage, which is to be a first lien on crops planted, and duly recorded. With these in hand this Bank will make payment to the borrower or on his written order. Less any amount due said Federal Land Bank.

8. The expense of recording and all other expenses incident to obtaining a Seed Grain loan must be paid by the borrower.

9. Agents are requested to advise this Bank at the earliest date possible the number of applications and total amount for Seed Grain Loans.

Address all communications relative to Seed Grain Loans to Seed Grain Loan Department—The Federal Land Bank of Wichita, Wichita, Kansas.

UNITED STATES OF AMERICA
TREASURY DEPARTMENT

APPLICATION NUMBER

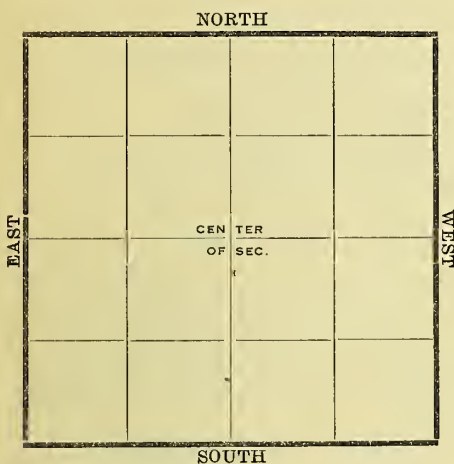
APPLICATION FOR SEED GRAIN LOAN

Dated, _____, 1918.

I _____ of _____
City or Town County
_____, hereby make application to the **FEDERAL LAND BANK OF WICHITA**, Wichita, Kansas, as
State
financial agent of the UNITED STATES, for a loan of _____ DOLLARS
(\$ _____) upon _____ acres to be planted to _____ upon the following
(Kind of Grain)
described land, situated in _____ County, State of _____.

_____ Sec. _____, Twp. _____, Range _____, East _____, West _____, P. M.
_____ Sec. _____, Twp. _____, Range _____, East _____, West _____, P. M.
_____ Sec. _____, Twp. _____, Range _____, East _____, West _____, P. M.
_____ Sec. _____, Twp. _____, Range _____, East _____, West _____, P. M.

Such loan is to be made from the fund set apart for the aid of farmers in drouth stricken areas by the President of the United States, out of the appropriation for the national security and defense provided for under the Act of Congress approved July 1, 1918, or from such other funds as may be appropriated or made available from time to time for the same purpose.



(1.) Certificate of planting in the form prescribed in the circular mentioned below, duly executed by an authorized representative of the Department of Agriculture;

(2.) Promissory note in the form prescribed in the circular mentioned below, duly executed by the undersigned, for the amount of such advance, payable to the above named Federal Land Bank, as financial agent of the United States, on October 1st, 1919, and bearing interest at the rate of 6 per cent per annum;

(3.) Guaranty Fund Agreement, duly executed and acknowledged by the undersigned, in form and in the terms prescribed in a circular issued jointly by the Secretary of the Treasury and Secretary of Agriculture; such agreement shall provide among other things that if the crop mortgaged, as stated below, amounts to an average yield of seven bushels per acre or more, the undersigned will contribute to a Guaranty Fund fifteen cents per acre mortgaged for each bushel per acre by which the average yield exceeds six bushels per acre, provided that the total of such contribution shall not exceed 75 cents per acre; and

(4.) Chattel Mortgage, duly executed by the undersigned in such manner as to entitle it to recordation, upon the crops planted on the land described above, to secure the payment of the above mentioned note and the due performance of the obligations of the undersigned under such Guaranty Fund Agreement. Such chattel mortgage shall be in form approved by counsel for the above named Federal Land Bank.

The plat above shows location of land sown to _____ on section _____, township _____, range _____.

I am _____ years old; married, and have _____ children.

I own _____ acres of land which are mortgaged for \$ _____,
to _____

I own _____ horses and mules valued at \$ _____, which are mortgaged for \$ _____
to _____

I own _____ cattle valued at \$ _____, which are mortgaged for \$ _____
to _____

I own _____ hogs valued at \$ _____, which are mortgaged for \$ _____
to _____

I own _____ sheep valued at \$ _____, which are mortgaged for \$ _____
to _____

I own _____ farming equipment valued at \$ _____ which is mortgaged for
\$ _____ to _____

I own _____
which is mortgaged for \$ _____ to _____

I planted _____ acres of _____ in 1916, from which I harvested _____ bushels in 1917.

I planted _____ acres of _____ in 1917, from which I harvested _____ bushels in 1918.

DO NOT USE THIS SPACE
For Use of
FEDERAL LAND BANK OF WICHITA
Only.

APPLICATION FOR
SEED GRAIN LOAN

I, _____, of _____

Amount \$ _____

Name of Applicant: _____

Address _____

City or Town _____

County _____, State _____

Rec'd from _____ Bank _____

City _____, County _____, State _____

The Eagle Press, Wichita



I hereby certify that I have _____ acres under cultivation which I desire to plant to fall _____ in 1918, but that by reason of crop failures in 1916 and 1917 and encumbrances on my real and personal property, I am unable to procure seed for planting the same and that I have not borrowed and cannot borrow money from any bank for the purpose of procuring seed for 1918 planting.

If this application should be granted, I agree to use such seed and methods of agriculture as may be approved by the Department of Agriculture, through its local representatives.

STATE OF _____ }
COUNTY OF _____ } ss: _____

_____, being duly sworn deposes and says that he has read the foregoing application, and that the same is true.

Sworn to before me this _____ day of _____, 1918.

(Seal)

(Signature of Applicant)

(Official Title)

My commission expires _____, 191_____.

(NOTE: This application may be sworn to before any officer authorized to administer oaths and having a seal, which must be affixed.)

DEPARTMENT OF AGRICULTURE

I hereby certify that I have investigated the foregoing application. That the applicant has _____ the stated acreage fit for planting; that he has the reputation of being a _____ farmer and has _____ the necessary equipment.

I further certify that I have investigated the applicant's statement of his financial condition, and find the same correct and that he has no commercial basis of credit. I find that his general reputation is _____.

I therefore recommend that the application be _____ granted, dated this _____ day of _____, 191_____.

DEPARTMENT OF AGRICULTURE

The above application is hereby approved, this _____ day of _____, 1918.

TREASURY DEPARTMENT

The above application is hereby approved this _____ day of _____, 1918.

THE FEDERAL LAND BANK OF WICHITA, Wichita, Kansas
Financial Agent.

By _____



U. S. Department of Agriculture
Office of Information



Release -- Immediate.

Washington, D. C., August 1. The following statement, supplementary to that issued July 29, was given out today by the Treasury and Agricultural Departments explaining how loans will be made to farmers in certain drouth-stricken areas from the President's special fund. The areas now under consideration are those in the Northwest and Southwest where two successive crop failures have resulted from severe drouth and winter-killing.

The money will be advanced as a loan in cases of necessity upon the crop of wheat or substitute grains planted. No loan will be made in excess of \$3 per acre, and no applicant will be financed beyond one hundred acres. Therefore, no loan will be made in excess of \$300. Notes given will bear 6% interest payable in the southern districts October 1, and in the northern districts November 1, 1919.

The Federal Land Banks of the districts embracing the affected areas will be designated as the financial agents of the Government to make and collect the loans. They will expect the cooperation of local banks in the taking of applications, forms of which will be supplied on request, as soon as they can be printed. Banks and other local agencies assisting will be asked to contribute their services for the good of their several communities.

The determination of the question of making each loan will, in the first instance, rest with the Department of Agriculture, which, through its various agencies, assisted by Farm Loan Associations and other local farmers' organizations, will investigate each application.

Applicants must agree to use seed and methods approved by the Department of Agriculture, and the money will not be advanced until the crop is planted and a representative of that department certifies to the Federal Land Bank that the applicant has completed his planting in proper manner and with proper seed. Upon the receipt by the Federal Land Bank of such certificate, applicant will be required to give note and chattel mortgage on the crop planted.

In order to give applicants a basis for temporary credit, to assist in



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obtaining the seed, the Department of Agriculture will promptly investigate all applications, and as soon as approved the Federal Land Bank will issue a statement of approval to the effect that the money will be advanced when the crop is planted and the necessary certificate and note and mortgage are executed and delivered. The machinery of the Treasury Department and the Department of Agriculture for this work is already in existence and will be put in motion at once, and no substantial delays will result if the interested communities do their own part promptly.

Banks wishing to assist their communities in this matter should at once communicate with the Federal Land Bank of their district.

The plan is to assist only those who have exhausted their resources. No loan will be made to any farmer who has unincumbered real or personal property sufficient to secure a loan of \$300. In such cases country banks are urged, as a matter of public service, to render assistance and avail themselves of the facilities of the Federal Reserve Banks and the War Finance Corporation, which are prepared to render support to such efforts.

Each borrower will be required, as a part of his contract, to agree that, if his yield is seven bushels per acre, or more, he will pay into a guaranty fund a sum equal to 25% of the amount loaned him to cover any losses that may occur. If the amounts so contributed exceed the actual loss by the Government, the excess will be returned pro rata to the contributors.



U. S. Department of Agriculture

Office of Information



Release - Immediate.

PRESIDENT MAKES AVAILABLE \$5,000,000 TO AID NEEDY WESTERN FARMERS.

- - -

Washington, D. C., July 29, 1918.

The following statement was given out by the Treasury Department and the Department of Agriculture today:

Acting upon the urgent representations that many wheat growers in certain sections of the West who have lost two successive crops by winter-killing and drought, have exhausted their resources and may be compelled to forego fall planting and, in some cases, to abandon their homes unless immediate assistance is extended, the President on Saturday, July 27, placed at the disposal of the Treasury Department and the Department of Agriculture, \$5,000,000 to enable them to furnish aid to that extent. The two departments are already actively at work formulating plans for making loans under this authorization, and complete details will be announced within the next few days and operations begun.

It may be stated generally that the Federal land banks in the districts affected will be designated by the Secretary of the Treasury as the financial agents of the Government to make the loans and to collect them. The Department of Agriculture, through its special officers, including the county agents, will ascertain the needs of the individual farmers and determine the feasibility of the planting.

For Farmers Who Have Suffered.

The primary object of this fund is not to stimulate the planting of an increased fall acreage of wheat or rye in the severely affected drought areas, or even necessarily to secure the planting of a normal acreage, but rather to assist in tiding the farmers over the period of stress, to enable them to remain on their farms, and to plant such an acreage as may be determined to be wise under



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1 U.S. Dept. of agriculture. Office of the secretary.
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Library, U. S. Department of Agriculture,
Washington, D. C.

